
From: Kevin Bridges [mailto:kbridges@shopoff.com]
Sent: Thursday, April 09, 2009 5:34 PM
To: LLPComments
Subject: Legacy Loans Program Comments

To whom it may concern,

Regarding the LLP, a few comments for your consideration:

Varying sizes of asset pools should be considered to broaden participation from potential bidders. \$250 million to \$1 billion could be a possible range.

Pools should be grouped by asset class so industry specific bidders can focus on the types of assets they specialize in rather than having to take on a variety of assets that they don't normally have as part of their business models.

Pools should be grouped by geographic region so west coast investors do not have to become experts on assets on the east coast if that is not where their focus is and vice versa. If an entity specializes in multiple areas they will not be impacted by geographic specific pools.

There should not be any executive compensation limitations in this program. Let good business sense and a fair bidding platform provide for the best method to limit compensation. As a private investor I would prefer to not have government in our business other than auditing our operation of the partnership.

In the investor conference call a discussion of the Treasury receiving warrants occurred. A comment was made that the Treasury warrants may not allow for a change in control but could result in a change of the economics in a deal. Assuming my understanding is correct this idea of warrants is counter intuitive. If anyone should get warrants of upside it should be the private investor-asset managers who should get an incentive profits structure. In the RTC based Land Funds the private partner invested 25 % of the equity and received 50% of the profits. If fees aren't provided for and there is not a profit participation, the private investor works twice as hard to make half as much.

Financing for land based asset pools should be cash flow based or have a nominal pay rate associated with it. The RTC S series deals had a cash flow based debt structure that worked effectively.

Within the guidelines for potential bidders an allowance for reasonable fee structures needs to be created. Private investors need to be able to incorporate this into their bid structures.

Thank you and good luck.



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